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OPEN MEETING

MEMORANDUM

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AZ CORP COMMISSION
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2014 NOV 25 AM 11 33

ORIGINAL

TO: THE COMMISSION

FROM: Utilities Division

DATE: November 25, 2014

RE: IN THE MATTER OF THE APPLICATION OF CHAPARRAL CITY WATER COMPANY FOR A DETERMINATION OF THE CURRENT FAIR VALUE OF ITS UTILITY PLANT AND PROPERTY AND FOR ADJUSTMENTS TO ITS RATES AND CHARGES FOR UTILITY SERVICE AND FOR CERTAIN RELATED APPROVALS. SYSTEM IMPROVEMENT BENEFITS SURCHARGE PLAN OF ADMINISTRATION (DOCKET NO. W-02113A-13-0118)


SUBJECT: System Improvement Benefits Plan of Administration

On June 20, 2014, the Arizona Corporation Commission ("Commission") approved a System Improvement Benefits Surcharge ("SIB") mechanism for Chaparral City Water Company ("Company" or "CCWC") in Decision No. 74568.

On July 21, 2014, in compliance with Decision No. 74568, CCWC filed a proposed Plan of Administration ("POA") for the SIB mechanism approved therein¹. The Company's SIB POA included a detailed description of how its SIB surcharge mechanism would function.

Staff reviewed the Company's proposed SIB POA and proposed modifications. The Company reviewed Staff's modifications and found them to be acceptable. Attachment A to the Proposed Order is the revised POA, and Staff finds that this POA is consistent with Exhibit B in Decision No. 74568.

Staff recommends that the SIB POA (Attachment A) be approved.



Steven M. Olea
Director
Utilities Division

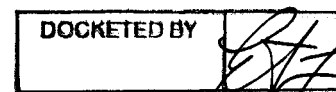
SMO:JF:sms\CHH

Originator: Jeff Francis

Arizona Corporation Commission

DOCKETED

NOV 25 2014



¹ Decision No. 74568, page 62, lines 3-6: "IT IS FURTHER ORDERED that Chaparral City Water Company shall file with Docket Control within 30 days, as a compliance item in this docket, a Plan of Administration for the System Improvement Benefit surcharge mechanism consistent with that appearing in Exhibit B for Commission review and approval."

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 BOB STUMP

Chairman

3 GARY PIERCE

Commissioner

4 BRENDA BURNS

Commissioner

5 BOB BURNS

Commissioner

6 SUSAN BITTER SMITH

Commissioner

7
8 IN THE MATTER OF THE APPLICATION
9 OF CHAPARRAL CITY WATER
10 COMPANY FOR A DETERMINATION OF
11 THE CURRENT FAIR VALUE OF ITS
12 UTILITY PLANT AND PROPERTY AND
13 FOR AN INCREASE IN ITS RATES AND
14 CHARGES BASED THEREON – A SYSTEM
15 IMPROVEMENT BENEFITS SURCHARGE
16 PLAN OF ADMINISTRATION PER
17 DECISION 74568

DOCKET NO. W-02113A-13-0118

DECISION NO. _____

ORDER

18
19 Open Meeting
20 December 11 and 12, 2014
21 Phoenix, Arizona

22 BY THE COMMISSION:

23 FINDINGS OF FACT

24 1. On June 20, 2014, the Arizona Corporation Commission (“Commission”) approved a
25 System Improvement Benefits Surcharge (“SIB”) mechanism for Chaparral City Water Company
26 (“Company” or “CCWC”) in Decision No. 74568.

27 2. On July 21, 2014, in compliance with Decision No. 74568, CCWC filed a proposed
28 Plan of Administration (“POA”) for the SIB mechanism approved therein. The Company’s SIB POA
included a detailed description of how its SIB surcharge mechanism would function.

 3. Staff reviewed the Company’s proposed SIB POA and proposed modifications. The
Company reviewed Staff’s modifications and found them to be acceptable.

...

...

1 4. The attached POA contains Staff's modifications and is consistent with Exhibit B in
2 Decision No. 74568.

3 5. Staff recommends that the attached SIB POA be approved.

4 CONCLUSIONS OF LAW

5 1. Chaparral City Water Company is an Arizona public service corporation within the
6 meaning of Article XV, Section 2, of the Arizona Constitution.

7 2. The Commission has jurisdiction over Chaparral City Water Company and over the
8 subject matter of the application.

9 3. The Commission, having reviewed the application and Staff's Memorandum dated
10 November 25, 2014, concludes that it is in the public interest to approve the SIB Plan of
11 Administration contained in Attachment A.

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ORDER

IT IS THEREFORE ORDERED that the attached SIB Plan of Administration be, and hereby is, approved for Chaparral City Water Company.

IT IS FURTHER ORDERED that this Decision shall become effective immediately.

BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION

CHAIRMAN

COMMISSIONER

COMMISSIONER

COMMISSIONER

COMMISSIONER

IN WITNESS WHEREOF, I, JODI JERICH, Executive Director of the Arizona Corporation Commission, have hereunto, set my hand and caused the official seal of this Commission to be affixed at the Capitol, in the City of Phoenix, this _____ day of _____, 2014.

JODI JERICH
EXECUTIVE DIRECTOR

DISSENT: _____

DISSENT: _____

SMO:JF:sms\BH

Decision No. _____

1 SERVICE LIST FOR: Chaparral City Water Company
2 DOCKET NO. W-02113A-13-0118

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ATTACHMENT A

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CREDIT	Exhibit 3
SIB SCHEDULE B - CALCULATION OF SIB TRUE-UP REVENUE REQUIREMENTS ADJUSTMENT	Exhibit 4
SIB SCHEDULE C - TYPICAL BILLS ANALYSIS.....	Exhibit 5
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¹ Revised 4-1-2014

² Revised 4-1-2014

I. GENERAL DESCRIPTION

This document is the Plan of Administration ("POA") for the System Improvement Benefits ("SIB") Mechanism approved for Chaparral City Water Company ("CCWC" or "Company") by the Arizona Corporation Commission ("ACC" or "Commission") in Decision No. 74568 on June 20, 2014. The SIB provides for recovery of the capital costs (return on investment, income taxes and depreciation expense) associated with distribution system improvement projects listed in SIB Plant Table I that have been verified to be completed,³ net of associated retirements and placed in service per SIB Plant Table II and where costs have not been included in rate base for recovery in Decision No. 74568. Any expenditures offset by contributions in aid of construction or advances in aid of construction are not eligible for inclusion in the SIB.

II. DEFINITIONS

- NARUC – National Association of Regulatory Utility Commissioners
- SIB – System Improvement Benefit mechanism to be implemented between rate proceedings to support investment in plant recorded in SIB Eligible NARUC accounts.
- SIB Eligible Plant – Investments in plant recorded in SIB Eligible NARUC accounts.
- SIB Eligible NARUC accounts:
 - NARUC Account No. 309 – Supply Mains
 - NARUC Account No. 331 – Transmission and Distribution Mains
 - NARUC Account No. 333 – Services
 - NARUC Account No. 334 - Meters and Meter Installations;
 - NARUC Account No. 335 – Hydrants
- SIB Plant Table I (Excerpt attached as Exhibit 1)⁴ – The schedule of planned SIB eligible projects that is either approved in the Company's most recent rate case or updated by a subsequent Commission decision. As used herein, this term refers to

³ Acceptable form of verifications may include the Maricopa County Environmental Services Department Approval of Construction, Professional Engineer's Certificate of Completion, etc.

⁴ See Company filing of August 22, 2013

the most recently updated SIB Plant Table I available unless reference is made to a particular Commission decision.

- SIB Plant Table II – The schedule of completed and verified SIB eligible projects from the latest Commission approved SIB Plant Table I and associated retirements.
- Total Revenue Requirement – The revenue requirement approved in Decision No. 74568, plus the SIB Revenue Requirement.
- SIB Revenue Requirement – The revenue requirement equal to the return on investment, income taxes and depreciation expense necessary to support the SIB Plant Table II amounts.
- SIB Revenue Requirement Efficiency Credit – An amount equal to 5 percent of the SIB Revenue Requirement.
- SIB Authorized Revenue – Amount equal to the SIB Revenue Requirement less the SIB Revenue Requirement Efficiency Credit plus any SIB True up Adjustment.
- Gross SIB Surcharge – Amount to be shown on customers' bills based on meter sizes without consideration to the SIB Surcharge Efficiency Credit.
- SIB Surcharge Efficiency Credit – An amount equal to 5 percent of the Gross SIB Surcharge to be shown on customers' bills.
- SIB Surcharge – The amount equal to the Gross SIB Surcharge less the SIB Surcharge Efficiency Credit to be charged, based on meter size, calculated to recover the SIB Authorized Revenue. The SIB Surcharge is to be shown as a separate line item on customers' bills.
- SIB True-up Adjustment – An amount to adjust for over- or under-collection of the SIB Authorized Revenues as compared with the total SIB Surcharges collected for the preceding 12 month period. Each SIB true-up shall also analyze the cumulative over- or under-collections to include a comparison of all past SIB Authorized Revenues, total SIB Surcharge collections, and prior true-ups to be used in calculation of the SIB true-up surcharge or credit by meter size.

III. SIB RELATED FILINGS

- A. Progress Reports – Once a SIB is approved in a decision, the Company must file with Docket Control semi-annual status reports delineating the status of all SIB Eligible Plant, on a project by project basis as listed in the latest Commission

approved SIB Plant Table I. The initial semi-annual status report shall include only those projects from the initial SIB Plant Table I which the Company has designated as most likely to be completed in the first 12 months.

- B. Reconciliation and True Up – Once a SIB Surcharge is implemented, the Company must file annually to true up its SIB Surcharge collections over the preceding twelve months with the SIB Authorized Revenue for that period and establish a surcharge or credit to true up over or under collections, regardless of whether it seeks a new surcharge. The filing dates for these annual true-ups shall be as established in the Commission's Decision approving the SIB Surcharge.
- C. SIB Surcharge Requests – To obtain its SIB Surcharge the Company must file the following:
1. SIB Plant Table II⁵ (with supporting information and documentation), showing the SIB eligible projects completed for which the Company seeks cost recovery. Such projects must:
 - a. be projects listed in the SIB Plant Table I;
 - b. have been completed by the Company;
 - c. have been verified; and
 - d. be actually serving customers.
 2. A summary of Commission approved SIB-eligible projects contemplated for the next twelve (12)-month SIB surcharge period from SIB Plant Table I⁶ from Decision No. 74568 to allow the Commission to establish the latest SIB Plant Table I.
 3. SIB Schedule A (sample attached as Exhibit 3), showing a calculation of the SIB Revenue Requirement and SIB Revenue Requirement Efficiency Credit, SIB Authorized Revenue, Gross SIB Surcharge, SIB Surcharge Efficiency Credit, and the SIB Surcharge. Schedule A shall be supported by revenue requirements schedules supporting the revenue requirements in

⁵ Sample attached as Exhibit 2

⁶ Beginning with its SIB Surcharge Request filing for the second 12-month surcharge period, the Company may request a change from the estimated Cost/Unit (approved in the Company's most recent rate case Decision) due to inflation using the latest calendar year Consumer Price Index (see sample attached as Exhibit 1). This may be done only if the original SIB Plant Table I unit cost did not account for inflation.

Decision No. 74568 and the pro-forma revenue requirements including the effects of SIB Eligible Plant.

4. Schedule B (sample attached as Exhibit 4) showing the overall SIB True-up Adjustment calculation for the prior twelve-month SIB Surcharge period, as well as the individual SIB True-up Adjustment for each meter size.
 5. SIB Schedule C (sample attached as Exhibit 5) showing the effect of the SIB Surcharge on a typical residential customer bill for both median and average usage.
 6. SIB Schedule D (sample attached as Exhibit 6) which shall include an analysis of the impact of completed SIB Eligible Plant projects on the fair value rate base, revenue, and the fair value rate of return. The Company shall also file the following as part of SIB D Schedule:
 - a. the most current balance sheet at the time of the filing;
 - b. the most current income statement;
 - c. an earnings test schedule;
 - d. a rate review schedule (including the incremental and pro forma effects of the proposed increase);
 - e. an adjusted rate base schedule; and
 - f. a Construction Work in Progress ledger for each project showing accumulation of charges by month and paid contractor invoices including a summary page showing the calculation of the SIB eligible rate base and depreciation expense net of associated retirements.
- D. The Company will maintain and provide to the Commission's Utilities Division (Staff) and the Residential Utility Consumer Office (RUCO) schedules in Microsoft Excel format (with all formulae intact) supporting the revenue requirement approved in Decision No. 74568, and the effects of completed SIB eligible plant for the current SIB Surcharge Request and any previously approved SIB Surcharge and SIB True-up Adjustment Requests.
- E. The Company may make its initial SIB Surcharge Request through Docket Control no earlier than twelve months after the entry of Decision No. 74568.

- F. The Company may make no more than one SIB Surcharge Request every twelve months with no more than five SIB Surcharge Requests between rate case decisions. A True-up must be filed with each SIB Surcharge Request, except the first.
- G. Unless otherwise authorized by the Commission, the Company shall be required to file its next general rate case no later than June 30, 2018, with a test year ending no later than December 31, 2017.
- H. Any SIB Surcharges that are in effect shall be reset to zero upon the date new rates become effective in the Company's next general rate case.

IV. SURCHARGE CALCULATIONS

- A. Calculations of Amounts to Be Collected By the SIB Surcharge
1. The amount to be collected by the SIB Authorized Revenue shall be equal to the SIB Revenue Requirement minus the SIB Revenue Requirements Efficiency Credit plus any SIB True up Adjustment.
For purposes of calculating the SIB Revenue Requirement:
 - a. The required rate of return is equal to the overall rate of return authorized in Decision No. 74568.
 - b. The gross revenue conversion factor/tax multiplier is equal to the gross revenue conversion factor/tax multiplier approved in Decision No. 74568; and
 - c. The applicable depreciation rate(s) is equal to the depreciation rate(s) approved in Decision No. 74568.
 2. The SIB plant unit cost to be used in calculating the SIB Revenue Requirement shall be the lesser of the installed SIB plant unit cost listed in SIB Plant Table II or 110 percent of the SIB plant estimated unit cost listed in the latest Commission approved SIB Plant Table I.
 3. The amount to be collected by each SIB Surcharge Request shall be capped annually at five percent of the revenue requirement authorized in Decision No. 74568.
- B. Reconciliation And True-Ups

1. The revenue collected by the total SIB Surcharges over the preceding twelve months shall be trued-up and reconciled with the SIB Authorized Revenue for that period.
2. A new SIB Surcharge shall be combined with an existing SIB Surcharge such that a single SIB surcharge and SIB Efficiency Credit are shown on a customer's bill.
3. For each twelve (12) month period that a SIB surcharge is in effect, the Company shall reconcile the amounts collected by the SIB Surcharge with the SIB Authorized Revenue, for that twelve (12)-month period, consistent with Schedule B, attached hereto as Exhibit 4.
4. Any under- or over-collected SIB Authorized Revenues shall be recovered or refunded, without interest, over a twelve-month period by means of a SIB True-up Surcharge or Credit.
5. Starting with the second annual SIB Surcharge, where there are over- or under-collected balances, such over- or under-collected balances shall be carried over to the next year, and considered in the calculation of the new SIB True-up Surcharge or Credit. If, after the five-year period there remains an over- or under-collected balance, such balance shall be reset to zero, and addressed in the next rate case.

C. Earnings Test

1. Once a SIB Surcharge is in effect, the Company shall be required to perform an annual earnings test calculation for each SIB Surcharge Request to determine whether the actual rate of return reflected by the operating income for the affected system or division for the relevant 12-month period exceeded the most recently authorized fair value rate of return for the affected system or division.
2. The earnings test shall be:
 - a. based on the most recent available operating income,
 - b. adjusted for any operating revenue and expense adjustments adopted in the most recent general rate case; and
 - c. based on the rate base adopted in the most recent general rate case, updated to recognize changes in plant, accumulated depreciation, contributions in aid of construction, advances in aid of

construction, and accumulated deferred income taxes through the most recent available financial statement (quarterly or longer).

V. ADDING PROJECTS TO SIB TABLE I UNDER EMERGENCY CIRCUMSTANCES

- A. The Company may seek Commission approval to add projects in SIB Plant Table I only in the event of emergency circumstances. No such changes may be made without Commission approval.
- B. Any addition to SIB Plant Table I must be plant investment that maintains or improves existing customer service, system reliability, integrity and safety. Eligible plant additions are limited to plant replacement projects. The costs of extending facilities or capacity to serve new customers are not recoverable through the SIB mechanism.
- C. To be eligible for SIB treatment, a project must be SIB Eligible Plant.
- D. SIB Eligible Plant must satisfy at least one of the following criteria:
 - 1. Water loss for the system exceeds ten (10) percent, as calculated by the following formula: $((\text{Volume of Water Produced and/ or Purchased}) - (\text{Volume of Water Sold} + \text{Volume of Water Put to Beneficial Use}))$ divided by $(\text{Volume of Water Produced and/or Purchased})$. If the Volume of Water Put to Beneficial Use is not metered, it shall be established in a reliable, verifiable manner.
 - 2. Plant assets that have remained in service beyond their useful service lives (based on the Company's system's authorized utility plant depreciation rates) and are in need of replacement due to being worn out or in a deteriorating condition through no fault of the Company;
 - 3. Any other engineering, operational or financial justification supporting the need for a plant asset replacement, other than the Company's negligence or improper maintenance, including, but not limited to:
 - a. A documented increasing level of repairs to, or failures of, a plant asset justifying its replacement prior to reaching the end of its useful service life (e.g. black poly pipe);
 - b. Assets that are required to be moved, replaced or abandoned by a governmental agency or political subdivision if the Company can show that it has made a good faith effort to seek reimbursement for all or part of the costs incurred.

VI. SIB SURCHARGE RATE DESIGN

A. The SIB Surcharge rate design shall be calculated as follows:

1. The SIB Surcharge shall be a fixed monthly surcharge containing a Gross SIB Surcharge and the SIB Surcharge Efficiency Credit as its two components.
2. The SIB Surcharge shall be calculated by dividing the SIB Authorized Revenue by the number of equivalent active 5/8-inch meters at the end of the most recent twelve (12) month period, and shall increase with meter size based on the following meter capacity multipliers:

5/8-inch x 3/4-inch	1.0 times
3/4-inch	1.5 times
1-inch	2.5 times
1 1/2-inch	5 times
2-inch	8 times
3-inch	16 times
4-inch	25 times
6-inch	50 times
8-inch	80 times
10-inch & above	115 times

B. The SIB Surcharge shall apply to all of the Company's metered customers, including private fire service customers.

VII. SIB SURCHARGE NOTICE REQUIREMENTS

A. Thirty days prior to filing each application to implement a SIB Surcharge, the Company shall file a proposed form of notice to Staff for review, and a Summary of what the Company will be requesting in the application. Once the notice is approved by Staff, the Company shall provide a copy of the approved notice to its customers via newsletter or bill insert. After providing notice, the Company shall file a copy of the notice and a description of when and how it provided notice with each application to implement a SIB surcharge. The Summary and Notice shall include at least the following information:

1. The individual Gross SIB Surcharge, by meter size;
2. The individual SIB Surcharge Efficiency Credit, by meter size;

3. The SIB Surcharge, by meter size; and
4. Directions to where the customer may obtain a summary of the projects included in the current SIB Surcharge request, including a description of each project and its cost.
- B. A SIB Surcharge shall not become effective until approved by the Commission.
- C. The Company shall provide a proposed order for the Commission's consideration.
- D. The Company shall notice its customers of the SIB Surcharge approved herein as soon as possible in a form acceptable to Staff and consistent with the notice requirements of Decision No. 74568.
- E. The Company shall not implement the SIB Surcharge until 30 days after having filed documentation in Docket Control providing the date when all effected customers have been notified of the Commission approved SIB Surcharge.

Exhibit 1
SIB Table I

Exhibit 2
SIB Table II

Decision No. _____

Information to be included with SIB-Eligible Completed Project Filings

~~Docket No. W-02113A-13-0118~~

Revised 4/1/2014

Information to be included with SIB-Eligible Completed Project Filings

[illegible]

Decision No.

Information to be included with SIB-Eligible Completed Project Filings

Packet No. W-02113A-13-0118

Information to be included with SIB-Eligible Completed Project Filings

[illegible]

Decision No.

Information to be included with SIB-Eligible Completed Project Filings

[illegible]

Decision No.

~~Docket No. W-02113A-13-0118~~

Information to be included with SIB-Eligible Completed Project Filings

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Information to be included with SIB-Eligible Completed Project Filings

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Information to be included with SIB-Eligible Completed Project Filings

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Information to be included with SIB-Eligible Completed Project Filings

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Information to be included with SIB-Eligible Completed Project Filings

Decision No.

Information to be included with SIB-Eligible Completed Project Filings

[illegible]

Exhibit 3

SIB Schedule A

EPCOR WATER
 Chaparral City Water Company PWS ID No. 07-017
 Decision No. 74568
 Effective Date July 15, 2015

SIB Schedule A

Check if
☐ Consolidated

LINE

NO. CALCULATION OF OVERALL SIB REVENUE REQUIREMENT AND EFFICIENCY CREDIT

1	Total Authorized Revenue Requirement, Per Decision xxxxx, See Attached Schedules	TBD
2	SIB Revenue Cap percentage	5% Per Year
3	SIB Revenue Cap	TBD
4	SIB Allowed Cost (Per SIB Table II, Summary page, Column 2)	TBD
5	Total Revenue Requirement, (with pro forma SIB investments). See attached revenue requirements schedules as provided by Company.	TBD
6	SIB Revenue Requirement (line 5 minus line 1)	TBD
7	SIB Revenue Requirement Efficiency Credit	5%
8	SIB True-Up Adjustment (from SIB Schedule B)	TBD
9	SIB Authorized Revenue (line 6 plus line 7 plus line 8)	TBD

* Number of Equivalent Meters, below

TBD

* Charge per 5/8" meter

TBD

	No. of Customers at SIB Cycle Year End	Multipliers	5/8 x 3/4-inch Equivalent Meters	Fixed Surcharge	Annual Rev by Meter Size
5/8 x 3/4-inch	TBD	1	TBD	TBD	TBD
3/4-inch	TBD	1.5	TBD	TBD	TBD
1-inch	TBD	2.5	TBD	TBD	TBD
1 1/2-inch	TBD	5	TBD	TBD	TBD
2-inch	TBD	8	TBD	TBD	TBD
3-inch	TBD	16	TBD	TBD	TBD
4-inch	TBD	25	TBD	TBD	TBD
6-inch	TBD	50	TBD	TBD	TBD
8-inch	TBD	80	TBD	TBD	TBD
10-inch	TBD	115	TBD	TBD	TBD
Totals	TBD		TBD		TBD

Decision No. _____

Exhibit 4

SIB Schedule B

SIB Schedule B

EPCOR WATER
 Chaparral City Water Company PWS ID No. 07-017
 Decision No. 74568
 Effective Date July 15, 2015

CALCULATION OF SIB TRUE-UP REVENUE REQUIREMENTS ADJUSTMENT	SIB Filing Sequence				
	SIB year 1*	SIB year 2	SIB year 3	SIB year 4	SIB year 5
SIB Authorized Revenue , Per SIB Schedule A	TBD	TBD	TBD	TBD	TBD
Total SIB Surcharges collections for Period	TBD	TBD	TBD	TBD	TBD
SIB True-Up Adjustment	TBD	TBD	TBD	TBD	TBD

Note: The Company shall also provide an analysis of cumulative over or under collections and a net amount to be included in the SIB True-up Adjustment

*SIB year 1 is one year after effective date

Decision No. _____

Exhibit 5

SIB Schedule C

TYPICAL BILL IMPACTS
5/8-Inch Customers

EPCOR WATER
Chaparral City Water Company PWS ID No. 07-017
Decision No. 74568
Effective Date July 15, 2015

[illegible]

*: Bills in Years 1 -5 are net of Efficiency Credit

Decision No. _____

Exhibit 6

SIB Schedule D.

Decision No. _____

EPCOR WATER

Chaparral City Water Company PWS ID No. 07-017

Decision No. 74568

Effective Date July 15, 2015

SIB Schedule D

Fair Value Rate Base, Revenue & Rate of Return - Decision No. _____

Per Dec. No XXXXXX	SIB Step 1	SIB Step 2	SIB Step 3	SIB Step 4	SIB Step 5	Total Pro- forma with SIB
TBD	TBD	TBD	TBD	TBD	TBD	TBD
TBD	TBD	TBD	TBD	TBD	TBD	TBD
TBD	TBD	TBD	TBD	TBD	TBD	TBD
TBD	TBD	TBD	TBD	TBD	TBD	TBD
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TBD	TBD	TBD	TBD	TBD	TBD	TBD
TBD	TBD	TBD	TBD	TBD	TBD	TBD

Total Operating Revenue *

Operating Expenses Operations
& Maintenance Depreciation
& Amortization Taxes Other
than Income Income Taxes

Total Operating Expenses

Operating Income

Rate Base

Rate of Return on Rate Base

Authorized Rate of Return on Rate Base

*: SIB Revenues in Years 1 -5 are net of
5% Efficiency Credit

SIB Schedule D
and Sub-Schedule List

Schedule D

Fair Value Rate Base, Revenue & Rate of Return

Rate Review

Balance Sheet

Income Statement

Earnings Test

Rate Base

Construction Work in Progerss (CWIP) Ledger

Calculation of Corporate Allocation Factor

Decision No. _____